

AMENDED IN ASSEMBLY MARCH 26, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 552

**Introduced by Assembly Member Chavez
(Principal coauthor: Assembly Member Calderon)**

February 18, 2003

An act to add Section ~~21051.4~~ 21039 to the Government Code, relating to public employees' retirement.

LEGISLATIVE COUNSEL'S DIGEST

AB 552, as amended, Chavez. Public employees' retirement: service credit election.

Under the Public Employees' Retirement Law, service retirement allowances are calculated, in part, based on years of credited service. Members may elect to receive additional credit for public service and other types of service, as specified, subject to the payment of additional contributions.

This bill would ~~provide that if~~ *authorize* specified public safety members who have elected to receive additional service credit ~~become subject and have retired due to disability, their contributions pursuant to those provisions cease~~ *to cancel payments for that service credit prospectively in certain cases in which the election to purchase service credit will not increase the member's allowance, as specified.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section ~~21051.1~~ 21039 is added to the Government Code, to read:

~~21051.1. (a) If, at any time while making periodic contributions in accordance with Sections 21050 and 21051, a public safety member electing to receive service credit becomes subject to disability, contributions made by the member pursuant to Sections 21050 and 21051 shall cease.~~

~~(b) For purposes of this section, "public safety member" means a person who is subject to either Section 4850 of the Labor Code or Section 22960 of the Government Code.~~

~~(c) For purposes of this section, "disability" has the same meaning as set forth in Section 20026.~~

21039. (a) Notwithstanding any other provision of law, a safety member, as defined in subdivision (b) of Section 20371, who has elected to receive credit for service by contributing in installments and has retired due to disability, may elect to cancel the payments prospectively if the election to purchase service credit would not increase the member's allowance payable. No refund of contributions paid in installments prior to the effective date of the member's election shall be payable to a member or retired member as a result of an election made by a member pursuant to this section.

(b) Subdivision (a) shall apply to any contribution installment payment that would otherwise be due on or after January 1, 2004, regardless of the date the member retired for disability.

(c) A member's election pursuant to this section shall be void, and the installment payments shall resume, upon a member's reinstatement from retirement for disability. The remaining balance due shall be recalculated to include interest during the disability retirement period.